

Message Text

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47

ACTION ARA-10

INFO OCT-01 ISO-00 XMB-02 COME-00 SP-02 AID-05 EB-04

NSC-05 RSC-01 CIEP-01 TRSE-00 SS-15 STR-01 OMB-01

CEA-01 CIAE-00 FRB-01 INR-05 NSAE-00 OPIC-03 LAB-01

SIL-01 H-01 L-01 PA-01 PRS-01 USIA-06 EA-06 EUR-08

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R 241300Z OCT 74

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 6153

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

LIMITED OFFICIAL USE BRASILIA 8095

E.O. 11652: N/A

TAGS: EIND, EFIN, EMAE, BTIO, BR

SUBJECT: GOB STEEL EXPANSION PROGRAM

REFS: (A) STATE 227715; (B) STATE 234131

1. EMBASSY APPRECIATES CLARIFICATION CONTAINED STATE REFTEL. US INDUSTRY/USG CONSULTATIONS WOULD BE WORTH- WHILE APPROACH TOWARD MAXIMIZING OUR COMPETITIVE ABILITY. BELIEVE THAT GOB RECEPTIVITY TOWARD SECOND MEETING IN BRAZIL WILL BE INFLUENCED BY POSITIVENESS OF US REACTIONS DURING WASHINGTON VISIT OF BRAZILIAN STEEL GROUP NEXT WEEK.

2. FOREIGN MINISTRY HAS INFORMED EMBASSY THAT STEEL EX- PANSION PROGRAM NOW INCLUDES AN ADDITIONAL COMPANY, USIMINAS, RAISING PROCUREMENT CONTRACTS FOR INTERNATIONAL BIDDING TO \$1.1 BILLION.

3. IN RECENT CONVERSATION WITH EMBASSY OFFICERS, GENERAL
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AMERICO DA SILVA, PRESIDENT OF SINDERBRAS, MADE THE COMMENT

THAT UNLIKE THE PREVIOUS STEEL EXPANSION PHASE WHERE THE JAPANESE CAPTURED MOST OF THE CONTRACTS, HE BELIEVED THE US WILL BE ABLE TO SUPPLY MORE EQUIPMENT THIS TIME THAN THE JAPANESE. GENERAL AMERICO EXPLAINED THAT FOR PHASE II, THE JAPANESE PRICES WERE QUITE GOOD, BUT HE FELT THAT NOW US PRICES WERE BETTER. THE GENERAL CONTINUED THAT HE ASSUMED, HOWEVER, THAT THE US EXIMBANK WILL PROVIDE FINANCING FOR US FIRMS. EMBOFFS OBSERVED THAT SUPPLIER COUNTRIES ARE PRESENTLY FACING DIFFICULTY IN OBTAINING FINANCING FOR SUCH LARGE SCALE PROJECTS. GENERAL AMERICO ACKNOWLEDGED THAT THIS CONDITION EXISTED BUT STATED THAT HE HAS RECEIVED INDICATIONS THAT THE JAPANESE, THROUGH THEIR EXPORT-IMPORT BANK, AND GERMANS ARE WILLING TO FINANCE A CONSIDERABLE PORTION OF THE EQUIPMENT NEEDED FOR PHASE III.

CRIMMINS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRIAL DEVELOPMENT, STEEL PLANTS, MEETINGS, PROGRAMS (PROJECTS), PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Draft Date: 24 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BRASIL08095
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740305-0587
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741021/aaaaarik.tel
Line Count: 77
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) STATE 227715; (B) STATE 234131
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 10 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 SEP 2002 by boyleja>; APPROVED <05 MAR 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOB STEEL EXPANSION PROGRAM
TAGS: EIND, EFIN, EMAE, BTIO, BR, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005